

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 EA-07 IO-13 ISO-00 AGRE-00 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05

SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02

OMB-01 FEA-01 /108 W

-----170441Z 096069 /17

R 161723Z JUN 77

FM AMEMBASSY BONN

TO SECSTATE WASHDC 9128

INFO AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

USMISSION GENEVA

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USEEC

E.O. 11652: N/A

TAGS: ETRD, EEC

SUBJECT: FRG REACTION TO ZENITH AND US STEEL CASES

REF: BRUSSELS 6843

1. DURING A TOUR D'HORIZON ON JUNE 15 WITH EMBASSY
ECONOMIC/COMMERCIAL MINISTER, FOREIGN OFFICE ASSISTANT
SECRETARY DR. LAUTENSCHLAGER SAID THAT THE ZENITH CASE
HAD BEEN DISCUSSED THIS WEEK BY TOP REPRESENTATIVES OF
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LEADING GERMAN INDUSTRIES. THE GERMANS WERE, ACCORDING
TO LAUTENSCHLAGER, WATCHING DEVELOPMENTS IN THIS CASE
WITH ACUTE INTEREST, AND SEE IN IT BOTH AN ECONOMIC
AND POLITICAL PROBLEM. HE FEELS CERTAIN THAT CHANCELLOR
SCHMIDT WILL BRING IT UP WHEN HE MEETS WITH PRESIDENT
CARTER; AND THAT AMBASSADOR STRAUSS CAN EXPECT
QUESTIONING WHEN HE VISITS BONN. THE CASE IS SEEN AS

CRITICAL TO THE MAINTENANCE OF GENERAL WORLD TRADE BALANCES AND WILL BE DISCUSSED WITHIN GERMAN GOVERNMENTAL AND INDUSTRIAL CIRCLES AGAIN BEFORE SCHMIDT LEAVES FOR WASHINGTON.

2. IN SEPARATE DISCUSSION WITH EMBOFF, ECON MIN TRADE POLICY OFFICIAL KUEHN EXPLAINED THAT ECONOMICS MINISTRY OFFICIALS HAVE TAKEN THE LINE WITH INDUSTRY THAT THE USG SHOULD NOT BE PRESSED TOO HARD ON ZENITH CASE, FOR THE ADMINISTRATION IS DOING ALL IT CAN TO WIN THE COURT CASES AND IT WILL NOT HELP TO RAISE TEMPERATURES AT THIS POINT. HOWEVER, EUROPEANS SHOULD CONTINUE TO REMIND US OF ITS GATT OBLIGATIONS. FRAU STEEG ALSO TOOK THIS POSITION IN EXPLAINING ZENITH AND US STEEL CASES TO BUNDESTAG FINANCE COMMITTEE. IN ADDITION, BUNDESTAG DEPUTIES HAVE BEEN URGED TO APPROACH THEIR COUNTERPARTS IN US CONGRESS, TO IMPRESS ON LATTER THE SERIOUSNESS OF THIS CASE.

3. GERMAN INDUSTRY, ACCORDING TO KUEHN, REGARDS ABOVE APPROACH AS TOO WEAK, AND CHARGES THAT IT ONLY PLAYS INTO THE HANDS OF US STEEL. FOLLOWING FRAU STEEG'S TESTIMONY IN BUNDESTAG, A CDU DEPUTY (DR. KOEHLER) WHO IS ALSO AN EXECUTIVE OF GERMAN STEEL FEDERATION COMPLAINED THAT HER TESTIMONY REVEALED THAT THE GOVERNMENT WAS NOT TAKING THE CASE SERIOUSLY ENOUGH. PARLIAMENTARY STATE SECRETARY GRUENER WAS ASKED TO RESPOND TO A SERIES OF QUESTIONS ON THE US STEEL CASE IN THE BUNDESTAG ON JUNE 16, BUT THIS LIMITED OFFICIAL USE

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DISCUSSION WILL PROBABLY BE DELAYED UNTIL NEXT WEEK.

4. KUEHN FURTHER REMARKED THAT FRG AND EC AS A WHOLE WERE OF COURSE TAKING THIS MATTER VERY SERIOUSLY. HE WARNED THAT THE EC COMMISSION IS PREPARING RETALIATORY STEPS. HE HOPED VERY MUCH THAT THEY WILL NOT BE NEEDED.
STOESSEL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, DIPLOMATIC DISCUSSIONS, GOVERNMENT REACTIONS, STEELS
Control Number: n/a
Copy: SINGLE
Sent Date: 16-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BONN10158
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770216-0453
Format: TEL
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770652/aaaabszd.tel
Line Count: 105
Litigation Code IDs:
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Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5e0f077c-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 BRUSSELS 6843
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2134452
Secure: OPEN
Status: NATIVE
Subject: FRG REACTION TO ZENITH AND US STEEL CASES
TAGS: ETRD, US, GE, EEC, ZENITH
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/5e0f077c-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009